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Fact Sheet for Congressional Requesters

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BLOCK GRANTS

COMPLETED

Federal Data Collection Provisions

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United States
General Accounting Office
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Human Resources Division

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February 24, 1987

The Honorable Augustus F. Hawkins, Chairman
Subcommittee on Elementary, Secondary
and Vocational Education
Committee on Education and Labor
House of Representatives

The Honorable William F. Goodling, Ranking
Minority Member
Subcommittee on Elementary, Secondary
and Vocational Education
Committee on Education and Labor
House of Representatives

The Honorable David R. Obey
House of Representatives

This fact sheet responds to your request for information comparing statutory data collection and reporting provisions of the education block grant (Chapter 2 of the Education Consolidation and Improvement Act of 1981) with the nine other block grant programs funded in fiscal year 1986. As agreed, we have also provided information on the statutory administrative cost limits for these block grants.

Our information was developed as part of a broader GAO review to determine the approaches to data collection and reporting that are being used by federal agencies that administer block grants, the advantages and disadvantages of these approaches, and lessons that may apply to the education block grant. We plan to issue a final report on these issues later this year.

Block grants were designed to provide maximum flexibility to the states in developing and managing programs. However, if the Congress wants a national picture of activities being supported with block grant funds, it is important that national data be collected on key features of these programs.

To obtain the information for this fact sheet, we reviewed the legislation for each of the block grants and interviewed federal program officials to confirm agency interpretations of key legislative provisions. We examined block grant data collection and reporting requirements at two levels--those imposed on federal agencies and those on state agencies. We

also examined how data for some of these requirements are obtained. A list of the block grants we reviewed and their implementing agencies appears in table 1.

SUMMARY OF INFORMATION

The block grant legislation imposes three types of data collection and reporting requirements on federal agencies (see table 2). These requirements are the following:

-- Agency reports to the Congress on program activities for 9 of the 10 block grants, including the education block grant. The exception is the social services block grant.

-- Program assessment data that must be collected by federal agencies for 5 of the 10 block grants. These requirements mandate that agencies collect specific data, such as numbers of clients served, or undertake specific analyses, such as continuous evaluations of program results. Requirements for four of the programs were added during 1984. The education block grant has no such requirement.

-- Compliance reviews of state program operations performed by federal agencies in 8 of the 10 block grants to determine whether the states are carrying out their programs in accordance with the law. The education block grant is among the 8 that perform such reviews.

In addition to requirements for federal agencies, the Congress has imposed data collection requirements on states that receive block grant funds (see table 3). The data collected can help federal agencies give the Congress a national picture of program activities. The agencies use four types of requirements to collect these data:

-- Grant applications, which must include information on how the states plan to use federal funds. In addition, the applications generally include certifications and assurances of compliance with federal laws. The legislation for all 10 block grants requires states to submit grant applications. However, the frequency of these submissions varies from annually to triennially.

-- Program reports, describing the actual use of federal funds, which must be submitted to federal agencies. The legislation for 9 of the 10 block grants requires such reports. The exception is the education block grant, which requires states to prepare annual evaluations, but does not require states to submit them to the Department of Education. Federal agencies allow states

to establish their own report formats in 6 of the 9 block grants. Program report formats are prescribed by federal agencies for the job training, justice improvement, and energy assistance block grants.

-- Fiscal expenditure reports, which provide a detailed picture of expenditures within certain cost categories. Expenditure reports are statutorily required only for the job training block grant; such reports are prescribed by the federal agency for one other block grant--justice improvement. The education block grant does not require an expenditure report.

-- Financial and compliance audits, which examine the financial statements and internal controls of administering agencies. Although annual or biennial audits are required under each of the block grants, the Single Audit Act may supercede those requirements.

Since states are allowed to establish their own program reporting formats for six of the block grants, the type of information they submit to the federal agencies varies among states. This variation makes it difficult to aggregate state-reported data on a nationwide basis for the block grants. Consequently, some federal agencies are using other strategies that rely on nonfederal organizations, such as associations of state officials and research firms, as a means of providing a national picture of block grant activities. For example, federal agencies administering 5 of the 10 block grants are statutorily required to develop model criteria and standardized forms to encourage uniform data collection (see table 4). To achieve this objective, 4 of the 5 block grants require federal agencies to work with national organizations and state grantees. However, states' use of these criteria and forms is discretionary.

Further, in all of the block grants, federal agencies use supplemental data sources to prepare reports to the Congress and to carry out their program oversight responsibilities (see table 5). For example, the Department of Education contracted for an evaluation of the use of Chapter 2 funds by local school districts. This was intended to give the Department an overview of the education block grant activities in lieu of standardized state and local reports.

In addition to statutory data collection requirements, eight of the block grants have limitations on the use of federal funds for state administration of the block grants. Table 6 describes the statutory limits on the amount of funds that states may use to administer the block grant programs, including the education block grant. There are no statutory limits for the social services and maternal and child health block grants. Where limitations are included, they are usually expressed as a fixed percentage of total grant funds; however, two programs--community services and community

development--provide a specific dollar amount as a lower limit or floor. The education block grant allows states to spend up to 20 percent of their allocations for state purposes, which include administrative costs. None of the federal agencies have defined state administrative costs in implementing regulations.

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As agreed with your office, we are sending copies of this fact sheet to other interested members; the appropriate department heads; the Director, Office of Management and Budget; and state and local government interest groups. We will also make copies available to other interested parties upon request.

Should you need additional information on the contents of this fact sheet, please call me on 275-2854.

Sincerely yours,

J. William Gadsby
Associate Director

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ABBREVIATIONS

GAO	General Accounting Office
HHS	Department of Health and Human Services
OBRA	Omnibus Budget Reconciliation Act of 1981

Table 1:

List of Block Grants Operating in 1986

Non-HHS block grants:	Authorizing legislation and federal agency
1. Education	Education Consolidation and Improvement Act of 1981, Chapter 2, as amended (20 U.S.C. 3811 et seq.).[a] Administered by the Department of Education.
2. Job Training	Job Training Partnership Act of 1982, Public Law 97-300, Titles I and II-A, as amended (29 U.S.C. 1501-1592, 1601-1605). Administered by the Department of Labor.
3. Justice Improvement	Omnibus Crime Control and Safe Streets Act of 1968, Public Law 90-351, Title I, Part D, as amended by the Justice Assistance Act of 1984, Public Law 98-473 (42 U.S.C. 3741). Administered by the Department of Justice.
4. Small Cities Community Development	Housing and Community Development Act of 1981, as amended (42 U.S.C. 5301 et seq.).[a] Administered by the Department of Housing and Urban Development.
HHS block grants:	
5. Alcohol, Drug Abuse, and Mental Health	Public Health Service Act, Title XIX, Part B, as amended (42 U.S.C. 300x et seq.).[a]
6. Maternal and Child Health	Maternal and Child Health Services Block Grant Act, as amended (42 U.S.C. 701 et seq.).[a]
7. Preventive Health	Public Health Service Act, Title XIX, Part A, as amended (42 U.S.C. 300w et seq.).[a]
8. Community Services	Community Services Block Grant Act, as amended (42 U.S.C. 9901 et seq.).[a]
9. Energy Assistance	Low-Income Home Energy Assistance Act of 1981, as amended (42 U.S.C. 8621 et seq.).[a]
10. Social Services	Social Services Block Grant Act, as amended (42 U.S.C. 1397 et seq.).[a]

[a]These laws were enacted as part of the Omnibus Budget Reconciliation Act of 1981, Public Law 97-35.

Table 2:

Statutory Requirements for Federal Data Collection and Reporting

	Agency reports to Congress	Federal program assessment requirement	Federal compliance reviews
Non-HHS block grants:			
Education	Annual report on evaluations	None	None[a]
Job Training	Annual report on achievements, evaluations, and recommendations	Continuous evaluation of program impact	To be conducted in several states annually
Justice Improvement	Annual report on activities	Continuous evaluation of program impact	None[a]
Small Cities Community Development	Annual report on activities and progress	None	States' distribution of funds to be reviewed annually
HHS block grants:			
Alcohol, Drug Abuse, and Mental Health	Reports in 1983 and 1986 on activities and recommendations	Collect data on clients, services, and funding	To be conducted in several states annually
Maternal and Child Health	Report in 1984 on activities and recommendations	None	None
Preventive Health	Report in 1983 on activities	None	To be conducted in several states annually
Community Services	Annual report on compliance reviews	Include impact data in compliance reviews	To be conducted in several states annually
Energy Assistance	Annual report on data collected	Collect data on clients, home energy, and fuel use	To be conducted in several states annually
Social Services	None	None	None

[a]Although not required by law, these federal agencies conduct compliance reviews of state agencies' program operations. The Department of Education conducts reviews of all states biennially; the Department of Justice, annually.

Table 3:

Statutory Requirements for State Data Collection and Reporting

	Applications/plans	Program reports[a]	Fiscal reports[b]	Audits[c]
Non-HHS block grants:				
Education	Triennial description of intended use	None[d]	None	Annual
Job Training	Biennial description of planned use and evaluation of prior use	Annual data on client characteristics and performance	Semiannual data on expenditures, numbers served	Annual
Justice Improvement	Biennial description of planned use	Separate annual performance report for each project	Quarterly	Annual
Small Cities Community Development	Annual statement of funds distribution method and of actual prior use	Annual performance and evaluation reports	None	Annual
HHS block grants:				
Alcohol, Drug Abuse, and Mental Health	Annual description of intended use of funds	Annual description of actual use of funds	None	Annual
Maternal and Child Health	Annual description of intended use of funds	Annual description of actual use of funds	None	Annual
Preventive Health	Annual description of intended use of funds and actual prior use	Annual description of actual use of funds	None	Annual
Community Services	Annual description of intended use of funds and actual prior use	Included in application	None	Annual
Energy Assistance	Annual description of intended use of funds	Annual data on numbers and incomes of households served	None	Annual
Social Services	Annual description of intended use of funds	Biennial description of actual use of funds	None	Annual

[a]States have discretion to determine the format for these reports, with the exception of job training, justice improvement, and energy assistance. For these three programs, the federal agencies specified the form and content of the required reports.

[b]Fiscal reports shown are prescribed by federal agencies for the job training and justice improvement block grants. Where no fiscal reports are required, data on the Department of the Treasury draw-downs are available to federal agencies as an approximation of state block grant program expenditures.

[c]The Single Audit Act of 1984 supercedes audit provisions in the block grant legislation and the General Education Provisions Act for state and local governments receiving $100,000 or more in federal funds. These state and local governments must arrange for annual audits, unless their constitutions or statutes require less frequent audits.

[d]States are required to conduct annual program evaluations. Although the statute does not require that states submit these evaluations to the Department of Education, some states do so voluntarily.

Table 4:

Statutory Requirements for Federal Participation in Development of National Data Systems

Non-HHS block grants:	Model criteria/forms for data
Education	None
Job Training	Develop guidelines for state management information systems to facilitate uniform program and fiscal data collection
Justice Improvement	None
Small Cities Community Development	Assist national groups to recommend reporting requirements for the Department of Housing and Urban Development's approval and for state grantee use
HHS block grants:	
Alcohol, Drug Abuse, and Mental Health	Develop model for state data exchange in consultation with appropriate national organizations
Maternal and Child Health	None
Preventive Health	Develop model for state data exchange in consultation with appropriate national organizations
Community Services	None
Energy Assistance	Develop model state plan format for optional state use
Social Services	None

Table 5:

Supplemental Sources of Block Grant Data[a]

	Product	Entity collecting data	Federal role in product development
Non-HHS block grants:			
Education	National program evaluation	Research firm	Agency provided contract funding
	Annual state program evaluations	States	None; states submitted voluntarily
Job Training	National implementation studies	Research firms	Agency provided contract funding
	National impact evaluation	Research firms	Agency provided contract funding
	Continuous survey of national sample of clients	Research firm	Agency provided contract funding
Justice Improvement	National implementation survey	National Criminal Justice Association	Agency provided funding
Small Cities Community Development	National implementation studies	Research firms	Agency provided contract funding
HHS block grants:			
Alcohol, Drug Abuse, and Mental Health	Annual report on clients and funding	National Association of State Alcohol	Agency provided funding

		and Drug Abuse Directors	
	Annual report on expenditures	National Association of State Mental Health Program Directors	None; states submitted voluntarily
Maternal and Child Health	Annual report on clients, funding, and outcomes	Public Health Foundation	Agency provided funding
Preventive Health	Annual report on clients and funding	Public Health Foundation	Agency provided funding
Community Services	Annual report on activities	National Center for Community Futures	Agency provided funding
Energy Assistance	Semiannual telephone survey	HHS	Agency conducted survey
	Energy and fuel use survey	Census Bureau surveys	Agency provided funding
Social Services	Annual report on clients, funds, and services	American Public Welfare Association	Agency provided funding

[a]This information was supplied by federal agency officials.

Table 6:

Statutory Limitations on State Administrative Costs[a]

Non-HHS block grants:	Limitation
Education	20 percent of grant for administration, technical assistance, and other state purposes
Job Training	5 percent of grant for administration, auditing, and other state activities
Justice Improvement	Legislation has no provision for administration, but does allow expenditures for data systems and technical assistance.[b]
Small Cities Community Development	$100,000 plus 2 percent of grant
HHS block grants:	
Alcohol, Drug Abuse, and Mental Health	10 percent of grant
Maternal and Child Health	No limit
Preventive Health	10 percent of grant
Community Services	Greater of $55,000 or 5 percent of grant
Energy Assistance	10 percent of grant
Social Services	No limit

[a]In this table, we identify only limitations on state administrative costs. However, several block grants also limit amounts that local governments and service providers may use for administrative costs.

[b]The Department of Justice interprets the legislation as prohibiting expenditures for state administration, but does not consider expenditures for data systems or technical assistance as administrative costs.

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